LINITED STATES PATENT AND TRADEMARK OFFICE

APPLICANT(S) JOSE I. SUAREZ GROUP ART UNIT: 2624

APPLN. NO.: 10/665,067 EXAMINER: Shah, Utpal D

FILED: September 17, 2003

Confirmation No.: 5493

TITLE: SYSTEM AND METHOD FOR EFFICIENTLY ENCODING AN

IMAGE BY PRIORITIZING GROUPS OF SPATIALLY CORRELATED

CO-EFFICIENTS BASED ON AN ACTIVITY MEASURE

AMENDMENT

Mail Stop AMENDMENT Commissioner for Patents P.O. Box 1450 Alexandria, VA 22313-1450

Sir:

This communication is responsive to the Office Action mailed July 10, 2006, concerning the above-identified application. Applicant submits the following Amendment and Remarks and respectfully requests the Examiner to reconsider the rejections made in the Action and to allow the claims to issue.

Please amend the application as follows:

Amendments to the Claims are reflected in the listing of claims, which begins on page 2 of this paper.

Remarks/Arguments begin on page 4 of this paper.